

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Stephens & Johnson Operating Co. 19958

3. ADDRESS AND TELEPHONE NO.
 P O Box 2249, Wichita Falls, TX 76307 817-723-2166

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 1400' FNL, 1330' FEL (SW/4 NE/4, Unit Letter G) UNORTHODOX LOCATION:
 At proposed prod. zone 1400' FNL, 1330' FEL (SW/4 NE/4, Unit Letter G) Subject to Like Approval By State

5. LEASE DESIGNATION AND SERIAL NO.
 NM-069107

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A 9799

7. UNIT AGREEMENT NAME
 East Millman Pool Unit Tr. 6

8. FARM OR LEASE NAME WELL NO.
 68 Well # 6

9. AP WELL NO.
 30-015-28882

10. FIELD AND POOL, OR WILDCAT
 Millman QN-GB-SA, East 46555

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
 Sec. 13, T19S, R28E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 15 miles north from Carlsbad, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1330'

16. NO. OF ACRES IN LEASE
 160

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 820'

19. PROPOSED DEPTH
 2650'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3370' GR

22. APPROX. DATE WORK WILL START*
 March 11, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24	400'	300 sx Class "C" CIRCULATE
7 7/8"	5 1/2" J-55	14	2650'	400 sx Lite + 350 sx 50/50 Poz

The Operator proposes to drill to a depth sufficient to test the Grayburg formation for oil and gas. If productive 5 1/2" casing will be cemented to TD. If non-productive the well will be plugged and abandoned in a manner consistent with federal regulations. Specific programs are outlined in the following attachments.

- Drilling Program
- Surface Use and Operating Plan
- Exhibit No. 1 - Blowout Preventer Equip.
- Exhibit No. 2 - Location and Elevation Plat
- Exhibit No. 3 - Planned Access Roads
- Exhibit No. 4 - One Mile Radius Map
- Exhibit No. 5 - Production Facilities Layout
- Exhibit No. 6 - Drilling Rig Layout

NSL-

RECEIVED
 MAR 15 1996
 OIL CON. DIV.
 DIST. 2
 Approval Subject to
 General Requirements and
 Special Stipulations
 Attached

Part ID-1
 3-22-96
 New loc & API
 FEB 23 10 57 AM '96

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Willie M. Kincan TITLE Petroleum Engineer DATE February 15, 1996

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (CRIG. SCD.) RICHARD L. MANUS TITLE Area Manager DATE MAR 14 1996

*See Instructions On Reverse Side

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Bravo Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-95-2882		Pool Code 46555	Pool Name Millman QN-GB-SA, East
Property Code 009799	Property Name East Millman Unit,		Well Number 6-6
OGRID No. 019958	Operator Name Stephens & Johnson Operating Company		Elevation 3370

10 Surface Location

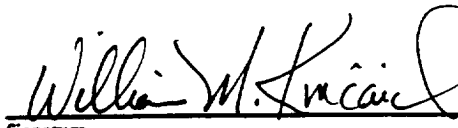
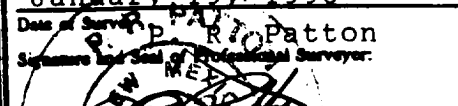
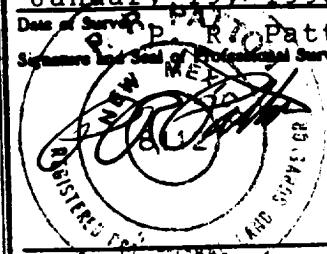
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	13	19 S	28-E		1400	North	1330	East	Eddy

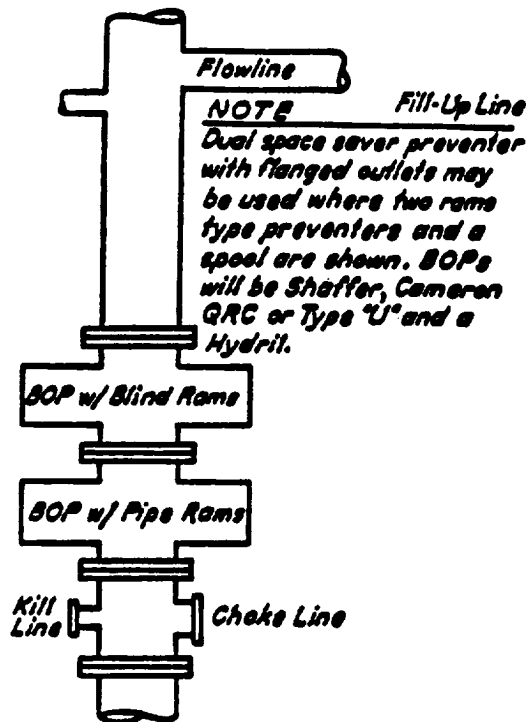
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40	Y		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				1400'				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature William M. Kincaid Printed Name Petroleum Engineer Title 1-24-96 Date
			3371.7		3371.1			
					1330'			
			3371.1		3370.0			
							18 SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> January 19, 1996 Date of Survey  Signature and Seal of Professional Surveyor:  Certificate Number 8112	

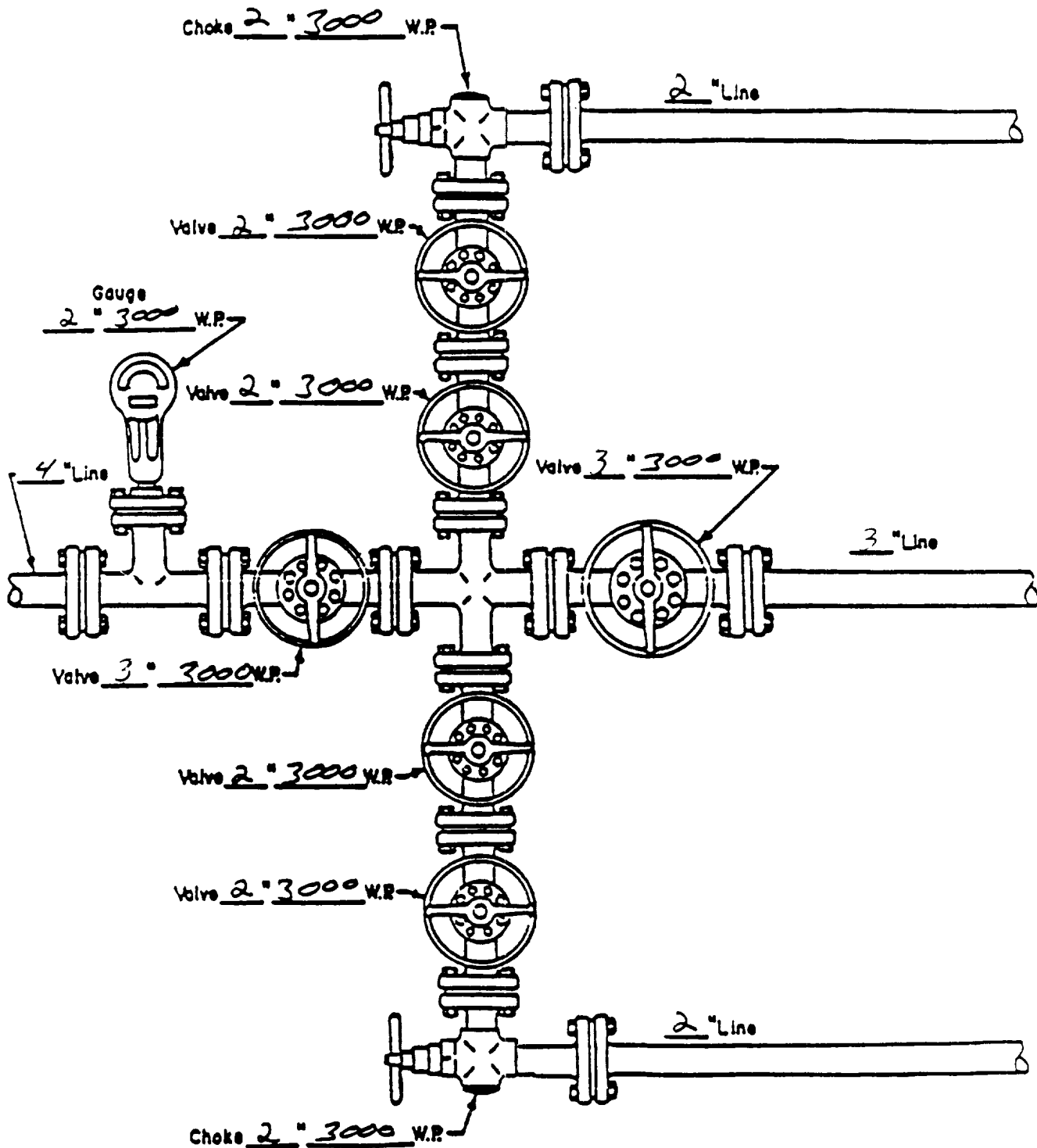


CASE I

BLOWOUT PREVENTER HOOKUP

3000 PSIG WORKING PRESSURE

**EAST MILLMAN POOL UNIT NO. 6-6
 EDDY COUNTY, NEW MEXICO**



MANIFOLD
3000 #W.P.
 CHOKE MANIFOLD

- Manual
- Hydraulic

EAST MILLMAN POOL UNIT NO. 6-6
 EDDY COUNTY, NEW MEXICO

EXHIBIT NO. 1A

Attachment to Exhibit #1
NOTES REGARDING THE BLOWOUT PREVENTERS
EAST MILLMAN UNIT NO. 6-6
EDDY COUNTY, NEW MEXICO

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to meet all API specifications.